



Fact Sheet

Replacing, Removing, or Upgrading Underground Storage Tanks

Loan Program

Loan Program Overview

Replacing, Removing, or Upgrading Underground Storage Tanks (RUST) loans are available to assist underground storage tank (UST) owners and operators in financing up to 100 percent of the costs necessary to upgrade, remove, or replace project tanks to comply with Health and Safety Code chapter 6.7 (commencing with section 25280), section 41954, and implementing regulations.

Applicants that meet the requirements for both a RUST loan and grant may be approved a for a RUST project including both grant and loan funding.

Loan Terms

Low-interest loans are available for between \$10,000 and \$750,000, for a term of 10 or 20 years.

- Ten-year loans are secured by a Uniform Commercial Code Financing Statement on the business property, assets, and equipment.
- Twenty-year loans are secured by a deed of trust on the business property and a Uniform Commercial Code Financing Statement on the business property, assets, and equipment.
- Additional collateral and guarantees may be required to provide sufficient security for the loan.
- The borrower must pay a loan fee of 2 percent at final loan closing.
- Please contact the State Water Board for the current interest rate.

Eligibility Requirements

Loan applicants must be the UST owner and/or operator and meet all of the following requirements:

- The loan applicant is a small business that employs fewer than 500 full-time and part-time employees, is independently owned and operated, and is not dominant in its field of operation;



- The loan applicant's principal office and its officers must be domiciled in California;
- All tanks owned and operated by the loan applicant, with the exception of the project tanks, must be in compliance with Health and Safety Code chapter 6.7 (commencing with section 25280), section 41954, and implementing regulations;
- The project tanks must be in compliance, or will be in compliance, after the completion of the project with Health and Safety Code chapter 6.7 (commencing with section 25280), section 41954, and implementing regulations;
- The loan applicant must be in compliance with the financial responsibility requirements specified in Health and Safety Code sections 25292.2 and 25299.31 and with subchapter IX (commencing with section 6991) of chapter 82 of title 42 of the United States Code and regulations implementing that subchapter; and
- The loan applicant must provide financial and legal documents necessary to demonstrate the ability to repay the loan and availability of adequate collateral to secure the loan.

Additional Resources

If you would like to apply for a loan from the RUST Program, please complete your application via the Financial Assistance Application Submittal Tool (FAAST):

<https://faast.waterboards.ca.gov/>

For questions regarding the RUST Loan Program, please contact:

Email: RUST@waterboards.ca.gov

Phone: 916-323-2095

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